

111TH CONGRESS
1ST SESSION

S. 1218

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

IN THE SENATE OF THE UNITED STATES

JUNE 9, 2009

Mr. MENENDEZ (for himself and Mr. LAUTENBERG) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Urban Medicare-De-
5 pendent Hospitals Preservation Act of 2009”.

6 **SEC. 2. CRITERIA AND PAYMENT FOR CERTAIN URBAN**
7 **MEDICARE-DEPENDENT HOSPITALS.**

8 (a) IN GENERAL.—Section 1886(d)(5) of the Social
9 Security Act (42 U.S.C. 1395ww(d)(5)) is amended by
10 adding at the end the following new subparagraph:

“(M)(i) For cost reporting periods beginning on or after October 1, 2009, in the case of a subsection (d) hospital which is an urban Medicare-dependent hospital, payment under paragraph (1)(A) shall be equal to the sum of the amount determined under clause (ii) and the amount determined under paragraph (1)(A)(iii).

“(ii) The amount determined under this clause is, for discharges occurring during the cost reporting period that begins on or after October 1, 2009, and any subsequent cost reporting period, 75 percent of the amount by which the hospital’s target amount for the cost reporting period (as defined in subsection (b)(3)(L)) exceeds the amount determined under paragraph (1)(A)(iii).

“(iii) The term ‘urban Medicare-dependent hospital’ means, with respect to any cost reporting period to which clause (i) applies, any hospital—

“(I) located in an urban area;

“(II) that does not receive payment—

“(aa) under subparagraph (C) as a rural referral center;

1 “(bb) under subparagraph (D) as
2 a sole community hospital;

3 “(cc) under subparagraph (B) or
4 under subsection (h); or

5 “(dd) under subparagraph (F);

6 “(III) that is not a physician-owned
7 hospital, as defined in section 489.3 of title
8 42, Code of Federal Regulations (as in ef-
9 fect as of the date of the enactment of this
10 subparagraph); and

11 “(IV) for which not less than 60 per-
12 cent of its inpatient days or discharges
13 during the cost reporting period beginning
14 in fiscal year 2006, or two of the three
15 most recently audited cost reporting peri-
16 ods for which the Secretary has a settled
17 cost report, were attributable to inpatients
18 entitled to benefits under part A.”.

19 (b) TARGET PAYMENT AMOUNT.—Section
20 1886(b)(3) of such Act (42 U.S.C. 1395ww(b)(3)) is
21 amended—

22 (1) in subparagraph (B)(iv), by striking “and
23 (D)” and inserting “, (D), and (M)”; and

24 (2) by adding at the end the following new sub-
25 paragraph:

1 “(M) For cost reporting periods occurring
2 on or after October 1, 2009, in the case of a
3 hospital that is an urban Medicare-dependent
4 hospital (as defined in subsection (d)(5)(M)),
5 the term ‘target amount’ means—

6 “(i) with respect to the first 12-month
7 cost reporting period in which this sub-
8 paragraph is applied to the hospital, the
9 allowable operating costs of inpatient hos-
10 pital services (as defined in subsection
11 (a)(4)) recognized under this title for the
12 hospital for the 12-month cost reporting
13 period beginning during fiscal year 2002 or
14 2006 (whichever results in a higher target
15 amount), increased by the applicable per-
16 centage increase under subparagraph
17 (B)(iv) for each of fiscal years 2003
18 through 2009 or 2007 through 2009, re-
19 spectively; and

20 “(ii) with respect to discharges occur-
21 ring after the first 12-month cost reporting
22 period in which this subparagraph is ap-
23 plied to the hospital, the target amount for
24 the preceding year increased by the appli-

- 1 cable percentage increase under subpara-
- 2 graph (B)(iv).”.

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